gramme of work for the next year, as proposed at present, consists of the production of Minton tiles, Fire-bricks and Pipes. The tiles are proposed to be used largely in the Rama Varmapuram College buildings under construction, and enquiries from elsewhere are also being received. The Fire-bricks turned out by the factory have this year been officially approved by the Madras Government Cordite Factory, and it can be said that the west coast market will take in our fire-bricks. Stone-ware pipes have come out successful in the factory and a large quantity will be required for the sewage works in the new College construction.

Up-lift of the Depressed Classes.—The budget estimate is fixed at Rs. 1,09,500 as against the revised estimate of Rs. 96,600. The activities of the Department are proposed to be expanded in all directions—in regard to colonies, educational progress, etc., and hence the increase.

A new major head of account has been, as already mentioned by me elsewhere, opened called 'State Conveyances' to represent the expenditure incurred on account of the maintenance of cars, boats, horses and carriages, etc., in accordance with the recommendations of the Special Finance Committee.

A Reserve Fund.—Last year in concluding my statement before the Council I observed that 'we are open to a criticism, and rightly too, that we are not building a reserve to the extent of an year's income to be drawn upon on emergencies only as is done in other progressive sister States. The balance at our disposal, as already explained, could not admit of this at present, but the Government may be able to build up one with the present amounts in long-term securities, etc., as a nucleus.' Pending a definite decision regarding the financial involvements of the Darbar in connection with the development of the Harbour and the construction of the Broad Gauge Railway, the idea has not yet fructified.

Cranganur.

Before I resume my seat, I shall, as usual, offer a few remarks on the Cranganur Budget also.

The actual transactions of 1104 resulted in a small surplus of Rs. 3,015, the gross receipts and expenditure having been Rs. 1,95,862 and Rs. 1,92,847 respectively, though according to the revised estimates of the year it was expected that the year would close with a deficit of Rs. 2,270.

In the budget estimate of the current year we anticipated a revenue of Rs. 1,99,640 and the expenditure was fixed at Rs. 2,00,980, thus leaving a deficit of Rs. 1,340. Though the revised estimate expects an improvement of Rs. 9,090 in receipts,

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the disbursements also are anticipated to exceed the budget estimate by Rs. 15,320 thus raising the amount of deficit to Rs. 7,570. The main heads that contribute to the increase in revenue are 'Abkari and Ganja', 'Tobacco', 'Interest' and 'Public Works' while the main increases in expenditure are expected under 'Land Revenue', 'Law and Justice' and 'Public Works'. The increase under 'Land Revenue' is chiefly due to the expenditure that had to be incurred for resurvey sketches; search fees for encumbrance certificates in connection with agricultural loans and for the payment of improvements on some estate properties. The increase in cost of establishment consequent on revision mainly accounts for the increase under 'Law and Justice' while the larger operations of the Public Works Department contribute to the increase under the head. The Member for Cranganur has been persistent in demanding more roads and canals in Cranganur either by the grant of a loan or withdrawal from the surplus. Government have carefully considered the question and have ordered the withdrawal of a sum of Rs. 50,000 from the general surplus of the Principality for undertaking works of public utility. The Chief Engineer has been asked to prepare a programme of works that may be undertaken with the amount thus withdrawn.

The budget estimate of receipts for 1106 is fixed at Rs. 2,05,890 against the revised estimate of Rs. 2,08,730.

The expenditure for the next year is fixed at Rs. 2,25,010 which is in excess of the revised estimate by Rs. 8,710. The heads mainly responsible for the increase are 'Agriculture and Panchayats', 'Education', 'Medical' and 'Public Works'. The increase under 'Agriculture and Panchayats' is due to the increased provision under 'Communications' and under 'Education' on account of the increase in cost of establishment, while that under 'Medical' is partly on account of the increase in the cost of establishment consequent on the appointment of a Sub-Assistant Surgeon and staff and partly due to increased provisions for medicines, bedding and clothing and dietary charges. Under 'Public Works' larger provision has been made for 'Communications'. According to the budget estimate, the transactions of the year are expected to result in a deficit of Rs. 19,120. As pointed out by me last year the finances of Cranganur have, for the past few years, been causing great anxiety to the Government. The sources of the revenues of the Principality are inelastic, and it was with the greatest difficulty that the Government have been keeping the expenditure within the income, in the past. Much as the Government would have liked it, it has not been possible to avoid a deficit, as the

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demands of the several Departments are growing and several works of public utility have to be attended to.

I hope the Member for Cranganur will kindly ponder over the matter and any suggestion he may make would receive earnest consideration at the hands of the Government. The remedies he has suggested so far appear to be the apportionment of the 'Customs Revenue' to increase the receipts under Cranganur and the reduction of pension charges, cost of establishment, etc. As far as possible only officers drawing lower pay are posted to Cranganur, and the present charges on account of pension seem to be comparatively low when compared to the other option of paying pensionary contribution to the State like the Devaswam Department. Apart from the propriety or otherwise, the apportionment of the 'Customs Revenue' is fraught with difficulties, and I am not in a position to state anything positively on the point.

The year 1106 is expected to close with a net asset of Rs. 2,87,595 to the credit of the Principality as against Rs. 3,21,285 according to the actuals of 1104 and Rs. 3,10,425 according to the revised estimate for 1105.

Conclusion.

Sir,

In thus placing before you the budgetted programme for the next year, I hope that I have made an attempt not only to explain the dry facts and figures but also to show, in however feeble a manner it may be, how the budget is a reflection of the progressive ideals which the Government have set up before themselves to follow in advancing the material and moral interests of the people. Before resuming my seat it is now once more my most pleasant duty to pay my humble tribute to the Members of the Standing Finance Committee for the great pains taken by them and the valuable suggestions they have made in the course of the discussions of the budget which I have now presented.

President's Statement on the budget for 1106 M. E.

President.—The Hon'ble Finance Member has presented the budget for 1106 and delivered a very interesting and illuminating speech. He has referred to the salient features in the budget in as clear and full a manner as possible, and I have no doubt that all will agree with me in saying that he has played his part well and deserves our hearty congratulations.

In my statement on the budget of 1105 made immediately after the Finance Member concluded his speech, I made an attempt to explain our true financial position and to point out that the charge made against the Government of hoarding sur-

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